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**CONSOLIDATED
NORTHLAND
MINES LIMITED**

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ANNUAL REPORT

**FOR THE YEAR ENDING
DECEMBER 31st, 1962**

1963 I 1963

ANNUAL MEETING

Monday, April 29th, 1963

11:00 A.M. Toronto Time

Nova Scotia Room

Mezzanine Floor

Royal York Hotel

Toronto, Ontario

Consolidated Northland Mines Limited

OFFICERS AND DIRECTORS

JOHN J. BYRNE, *President and Managing Director* - Toronto, Ontario
J. C. BYRNE, *Vice-President and Director* - - - Toronto, Ontario
J. A. W. BROWN, *Director* - - - - - Hamilton, Ontario
A. H. OLIVE, *Director* - - - - - Montreal, Quebec
R. H. BYRNE, *Director* - - - - - Toronto, Ontario
H. M. PRITCHARD, *Secretary-Treasurer*

HEAD OFFICE

25 Adelaide Street West, Toronto

CONSULTING ENGINEER

N. W. BYRNE

REGISTRAR AND TRANSFER AGENT

CROWN TRUST COMPANY
Toronto, Ontario

AUDITORS

EDDIS & ASSOCIATES
85 Richmond Street West
Toronto, Ontario

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE
Toronto Branch
Toronto, Ontario

Consolidated Northland Mines Limited

Report to Shareholders For the Year Ending December 31st, 1962

To the Shareholders:

Your Directors present herewith report and financial statement for the year ending December 31st, 1962.

During the year your Company was active in the Northwest Territories and in the province of Ontario.

NORTHWEST TERRITORIES

Consolidated Northland is an equal partner with Radiore Uranium Mines Limited, Consolidated Discovery Yellowknife Mines Limited, and Rayrock Mines Limited in the Big Four Syndicate which was formed in 1960 to combine and coordinate the exploration program of these Companies. This pooling of resources has resulted in increased efficiency in the use of exploration funds and enables operations to be more widespread. Following is an extract from a report on this area by a Company engineer who spent some time in the northwest during the past season:

"The main effort in 1962 was directed to the Contwoyto Lake Area where important developments took place. During 1961 Canadian Nickel Company, the exploration arm of the International Nickel Company, made a major gold find 250 miles north of Yellowknife on the west side of Contwoyto Lake. They now hold large blocks of ground in the area by staking and under concession. During the summer of 1962 Canadian Nickel made a major exploration effort in the area with apparent favourable results since they plan further work in the coming field season. A number of other prominent exploration companies were actively acquiring ground and working in the area and are expected to continue their programs in the coming field season. There is every indication that the full importance of this area is not yet developed.

Gold values in the Contwoyto Area are associated with heavy sulphide and quartz concentrations occurring in amphibolite bands within a sedimentary sequence. Locally intense folding appears to be of importance. In areas of poor outcrop the use of magnetometer surveys has proved to be of great value in tracing the mineralized zones. Trenching often proved to be difficult, if not impossible, due to frost heaving of the bedrock.

The Big Four Syndicate staked a total of 144 claims during 1961 and 1962 to the south and west of the principal Canadian Nickel staking. These claims are strategically placed with respect to the original discovery and other gold discoveries made on adjoining properties during the year. In the short field season available, work was concentrated on prospecting and geological mapping with some rock trenching and magnetometer survey work. A very limited amount of diamond drilling was carried out just prior to the withdrawal of all field personnel on 12th September when weather conditions started to deteriorate.

The results of the field work were encouraging. Five separate showings were located from which samples of ore type material were obtained, together with a number of other mineralized amphibolite bands with low gold values. The shortness of the field season, and the large area to be examined of approximately 7,500 acres, prevented a complete evaluation of these discoveries, but further work is warranted and will be carried out as early as feasible in 1963."

EASTER ISLAND

On Easter Island in Great Slave Lake the Syndicate holds a group of 72 claims covering a regional dyke structure which is associated with mineralized zones. This situation was fully described in your Company's 1961 Annual Report. During 1962 detailed prospecting and geological

mapping, together with sampling of mineralized occurrences was carried out. Values, although interesting, were below ore grade and diamond drilling results from the adjoining North Goldcrest Mines Limited property reported as being disappointing, it was thought that diamond drilling on the Syndicate's ground did not appear warranted at this time.

During the past season a group of claims was staked for the Syndicate in the Back River Area, Northwest Territories, where a promising gold find was made during the past year.

In the Marian River Area the Big Four Syndicate staked a group of 12 claims in 1961 covering a promising cobalt showing. Trenching and sampling during 1962, however, indicated that the grade was not sufficient to warrant further work at the present time.

EASTERN ONTARIO

In the Eastern Ontario Mining Division investigation resulted in the staking of a very old showing in Clarendon Township which contains interesting values in gold and silver with some copper. The writer has considerable knowledge of the original work which was done toward the end of the last century. The title to this property was clouded for many years but finally reverted to the Crown. No diamond drilling was ever done on the ground or in the immediate area, and as this is the logical way to explore the property, a diamond drilling program will be commenced in early spring.

The accompanying report by the Company's field engineer describes the property and also an option secured on some adjoining ground.

GENERAL

In the Jax Lake Area, 20 miles north of Taurcanis Mines Limited, the Syndicate's holdings of 75 claims in three groups were maintained. Work in earlier years has indicated two zones with promising gold values and further work will be required to test the extension of these zones. No work was done during 1962.

No further work was done on the Fox Lake Group in the Northwest Territories. The claims are in good standing.

The Lucky Group of claims in the Consolidated Discovery Yellowknife Mines Area, Northwest Territories, is held under Crown Lease.

The Sun property in the Marian River uranium area is in good standing.

The Company's original gold property in Gauthier Township, Kirkland Lake Area, Ontario, is held under Crown patent.

Work will resume on the Big Four property at Contwoyto Lake in the Northwest Territories as soon as weather permits in the spring.

A prospecting party will investigate some new areas in Quebec during the coming season.

SHAREHOLDINGS

Listed on the Toronto Stock Exchange

Radiore Uranium Mines Limited	137,120 Shares
New Athona Mines Limited	50,931 Shares
North Goldcrest Mines Limited	44,171 Shares

Unlisted

Viking Yellowknife Gold Mines Limited	25,000 Shares
Rockdale Mines Limited	10,880 Shares

Attached hereto is a statement of the financial position of your Company as at December 31st, 1962.

On behalf of the Board,

J. J. BYRNE,

March 1, 1963.

President and Managing Director.

Consolidated Northland Mines Limited

The President and Directors
Consolidated Northland Mines Limited
Suite 509, 25 Adelaide Street West
Toronto, Ontario

Gentlemen:

During the year the writer spent some time investigating mineral conditions in the Eastern Ontario Mining Division.

FRONTENAC COUNTY, EASTERN ONTARIO

A gold-silver-copper prospect, comprising 500 acres, was staked in October 1962 for the Company in the township of Clarendon, Frontenac County, Ontario. This showing, formerly known as the "James" or "Little Doris," was opened up in 1898-1899 by means of several deep pits and rock trenches. The presence of hydro electric lines near the showing has prevented the Company from doing any additional rock work. However, sampling has returned commercial values mostly in gold and silver with some copper associated with the mineral Tetrahedrite. Combined metals have given an approximate grade of \$25.00 per ton. The values are contained in a quartz vein intruding crystalline limestone which has been traced for a length of 650 feet, averaging 4 to 5 feet in width. The property is easy of access and can be readily explored by diamond drilling. The results of the work conducted recently on the James showing certainly favour additional investigation, and it is recommended that a diamond drilling program be laid out to follow up the commercial values encountered on surface in sampling to date.

An additional 100 acres, adjoining the James Property on the east, was optioned by the Company. Several rock trenches were put down here during the past fall which showed high but erratic values in gold and silver. It is felt that any further useful work should be in the form of diamond drilling to test the showing at depth.

KIRKLAND LAKE AREA PROPERTY

An electromagnetic survey employing Company personnel was conducted over two portions of the Gauthier Township property during late July and early August. All known areas of interest on the southeast part of the property, as well as Claim L.S. 379 located in the southwest corner, were surveyed. Results were negative due to the failure of the non-massive, disseminated sulphides to react as an electromagnetic conductor. Both the No. 1 and No. 2 shafts were re-covered and fenced in to conform with regulations.

Several other property examinations and investigations were carried out during the year, but nothing of sufficient interest was seen.

Respectfully submitted,

R. H. BYRNE,

Field Engineer.

March 1, 1963.

Consolidated Northland Mines Limited

Balance Sheet as at December 31, 1962

ASSETS

CURRENT:

Cash on Hand and in Banks	\$ 53,395.69	
Short Term Investments, at Cost	100,000.00	
Accounts Receivable	551.91	\$ 153,947.60

SHARES IN OTHER MINING COMPANIES, AT COST LESS PROCEEDS FROM SALES:

Listed (Quoted Market Value \$79,300.)	212,845.31	
Unlisted	11,705.70	224,551.01

MINING PROPERTIES:

Mining Claims acquired for Cash and Shares of Capital Stock at valuation placed thereon by the Directors of the Company	744,821.45	
Mine Buildings and Equipment, at Cost less proceeds from Sales	49,029.19	793,850.64

Exploration and Development, including Head Office and Administrative Expenses		1,219,630.37
Head Office Furniture and Fixtures, at Cost		3,672.87
Incorporation and Organization		7,663.38
		<u>\$ 2,403,315.87</u>

LIABILITIES

CURRENT:

Accounts Payable and Accrued Charges		\$ 815.87
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CAPITAL STOCK:

Authorized:		
5,000,000 Shares of \$1.00 Par Value each	<u>\$ 5,000,000.00</u>	
Issued and Fully Paid:		
2,850,000 Shares	\$ 2,850,000.00	
Discount on Shares, less premium	447,500.00	2,402,500.00
		<u>\$ 2,403,315.87</u>

Approved on behalf of the Board:

J. J. BYRNE, Director.

J. C. BYRNE, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Balance Sheet of Consolidated Northland Mines Limited as at December 31, 1962 and the Statement of Exploration and Development, including Head Office and Administrative Expenses, for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We report that, in our opinion, the above Balance Sheet and accompanying Statement of Exploration and Development present fairly the financial position of the Company as at December 31, 1962 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
March 4, 1963.

EDDIS & ASSOCIATES,
Chartered Accountants.

Consolidated Northland Mines Limited

Statement of Exploration and Development

INCLUDING HEAD OFFICE AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1962

Balance, January 1, 1962 \$ 1,283,799.81

EXPLORATION AND DEVELOPMENT:

Northern Ontario — Gauthier Claims	\$ 2,022.04	
Eastern Ontario — Clarendon Township	2,494.27	
Contwoyto Lake — Northwest Territories	7,722.75	
Marian River Area — Northwest Territories	754.55	
Miscellaneous Investigations	123.00	13,116.61

HEAD OFFICE AND ADMINISTRATIVE EXPENSES:

Insurance	598.74	
Licenses, Taxes and Filing Fees	230.00	
Legal and Audit	150.00	
Printing and Publicity	746.73	
Salaries, Office and Engineering	10,998.00	
Sundry Office Expenses including Rent	2,000.52	
Transfer Agents' Fees and Expenses	2,201.83	
Travelling Expenses	551.42	
Telephone and Telegraph	166.56	17,643.80
		<u>1,314,560.22</u>

Less: INCOME:

Interest Earned	4,612.05	
Received from Rayrock Mines Limited	89,280.00	
Equipment Rental	1,037.80	94,929.85

Balance, December 31, 1962 \$ 1,219,630.37